

January 6, 2006

NMOCD District 2 Office
Oil Conservation Division
Chris Beadle
1301 West Grand
Artesia, New Mexico 88210

RE: Letter of Violation for Range Operating New Mexico, Inc. Inspection
#iCLB0534948599, South Culebra Bluff (SCB) 23 No. 004

Chronology

On December 16, 2005 a letter of violation was issued to Range Operating New Mexico, Inc. (Range) for violations identified during a random / periodic inspection on December 15, 2005. The letter was received by the Range office on December 27, 2005. White Buffalo Environmental Services, Inc (WBESI) was notified via fax of this violation on December 27, 2005. Greg Swindle of WBESI contacted Rudy Garcia field foreman for Range –Loving office to discuss response actions. Upon notification from NMOCD Mr. Garcia responded to the location by contacting a work crew to begin excavation unaware that a work plan needed to be filed and approved prior to initiating work on this site. Mr. Swindle went to the field and reviewed activities in the field on January 5, 2006. Excavation of the entire area inside the secondary containment of this location had begun and was almost completed. The site was assessed for a formal work plan and specific site information obtained. WBESI uses the attached information and metrics sheet for summarizing the remediation requirements for each site.

The following is an initial “Remediation Work Plan” for each site:

South Culebra Bluff (SCB) 23 No.004

General site characteristics

Depth to Ground Water: 92'

Wellhead Protection Area: 646' to closest well

Distance to Nearest Surface Water Body: 1.4 miles

Site ranking score 30

Soil remediation action levels

Highly Contaminated / Saturated Soils

Benzene 10 ppm, BTEX ppm, TPH 100 ppm

Soil remediation methods

Excavation and disposal (or alternative approved onsite remediation)

Planned analytical testing

BTEX, TPH, Chlorides on soil

Work Plan

- Continue excavation until limits are obtained in a vertical and horizontal direction.
- Sample site for above parameters.
- Determine quantity of spoils removed from the excavated area.
- Determine most cost effective means of disposal or onsite bioremediation in accordance with NMOCD "Guidelines for Remediation of Leaks, Spills, and Releases".
- Contact NMOCD to set up sampling and post remediation inspection for January 10, 2006.
- Review analytical results.
- Backfill excavation if limits have been achieved or continue excavation.
- Sampling will be per NMOCD guidance including all walls and floor of the excavation.
- A final report will be issued on behalf of Range to the NMOCD documenting all final activities.
- A final letter of concurrence and closure will be issued by NMOCD if all guidelines have been achieved.

During my visit on January 5, 2006, a group of samples were collected to be screened for TPH to determine if limits have been achieved.

For further questions or comments please contact White Buffalo Environmental Services, Inc. at (325) 651-9054.



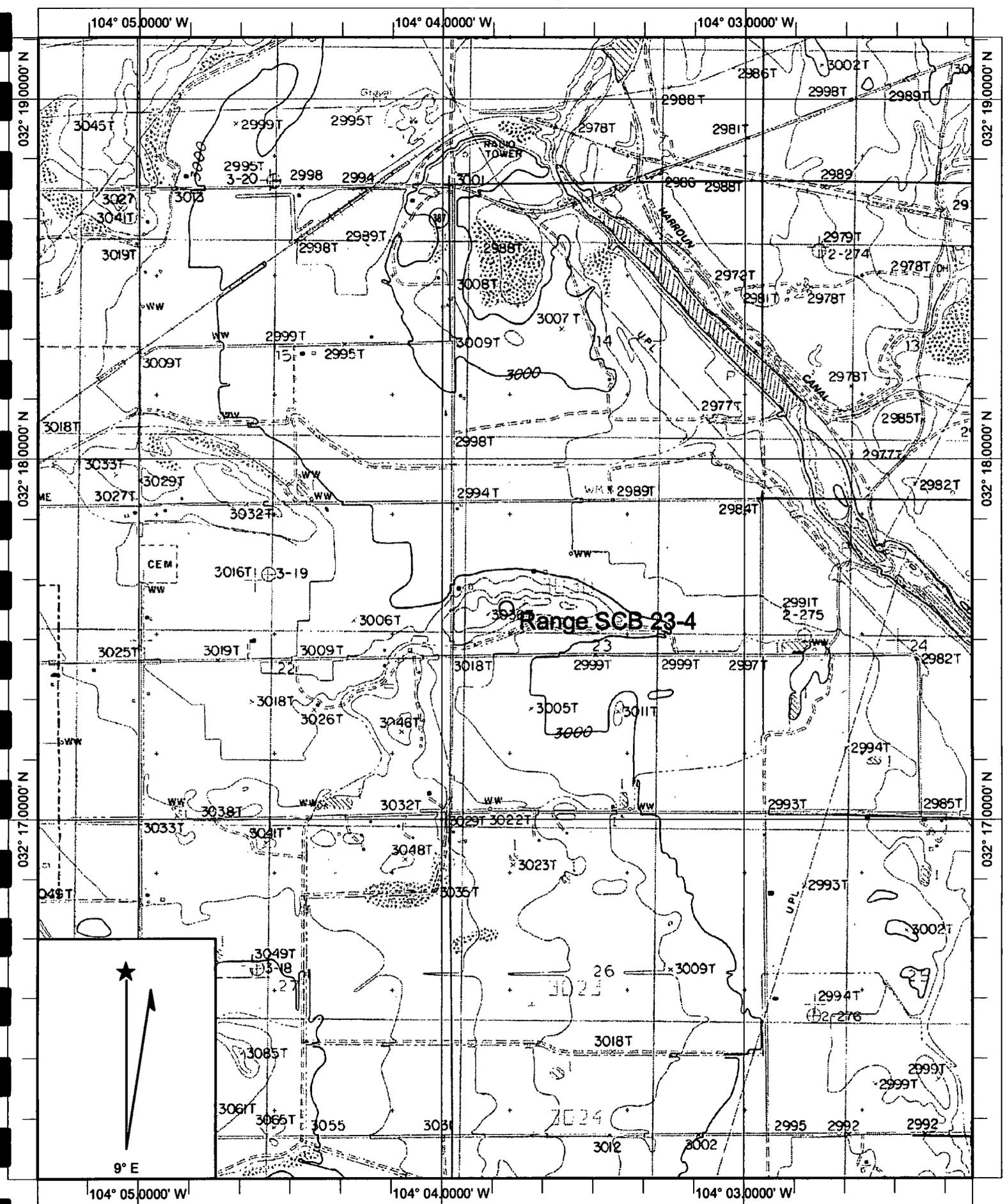
Greg Swindle,
President
WBESI

Enclosures:

Information and Metrics sheet
USGS Map
Aerial Photo
Site Photographs

RANGE OPERATING NEW MEXICO, INC
Information and Metrics

Incident Date: N/A		NMOCD Notified: December 27, 2005	
Site: South Culebra Bluff 23 No.004		Assigned Site Reference #: iCLB0534948599	
Company: Range Operating New Mexico, Inc.			
Street Address: 777 Main Street Suite 800			
Mailing Address: 777 Main Street Suite 800			
City, State, Zip: Ft. Worth, TX 76102			
Representative: George Teer			
Representative Telephone: (817) 870-2601			
Fluid volume released (bbls): Unknown		Recovered (bbls):	
<i>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)</i>			
<i>5 - 25 bbls: Submit form C-141 within 15 days</i>			
Leak, Spill, or Pit (LSP) Name: SCB 23-4 Battery			
Source of contamination: Leaks and spills around battery inside secondary containment			
Land Owner, i.e., BLM, ST, Fee, Other: ??			
LSP Dimensions: 63' X 33'			
LSP Area: Bases of north and south tanks			
Location of Reference Point (RP): NA			
Location distance and direction from RP: NA			
Latitude: N 32° 17.584'			
Longitude: W 104° 3.826'			
Elevation above mean sea level: 3031' per USGS Map			
Location- Unit or ¼ ¼:		Unit Letter: E	
Location Section: 23			
Location- Township: 23 South			
Location Range: 28 east			
Surface water body within 1000' radius of site: NO 1.43 miles per USGS Map			
Domestic water wells within 1000' radius of site: Yes 646' per map			
Agricultural water wells within 1000' radius of site: Yes 646' per map			
Depth from land surface to ground water (DG): 92' estimated based upon relationship to Pecos River			
Depth of contamination (DC): 8'			
Depth to ground water (DG - DC = DtGW): 84'			
1. Ground water		2. Wellhead Protection Area	3. Distance to Surface Water Body
If Depth to GW <50 feet: 20 points		If <1000' from water source, or <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points
If Depth to GW 50 to 99 feet: 10 points		If >1000' from water source, or >200' from private domestic water source: 0 points	200-100 horizontal feet: 10 points
If Depth to GW >100 feet: 0 points			>1000 horizontal feet: 0 points
Ground Water Score = 10		Wellhead Protection Area Score = 20	Surface Water Score = 0
Site Rank (1+2+3) = 30			
Total Site Ranking Score and Acceptable Concentrations			
Parameter	<u>>19</u>	10-19	0-9
Benzene	<u>10 ppm</u>	10 ppm	10 ppm
BTEX	<u>50 ppm</u>	50 ppm	50 ppm
TPH	<u>100 ppm</u>	1,000 ppm	5,000 ppm



Name: LOVING
 Date: 1/6/2006
 Scale: 1 inch equals 2000 feet

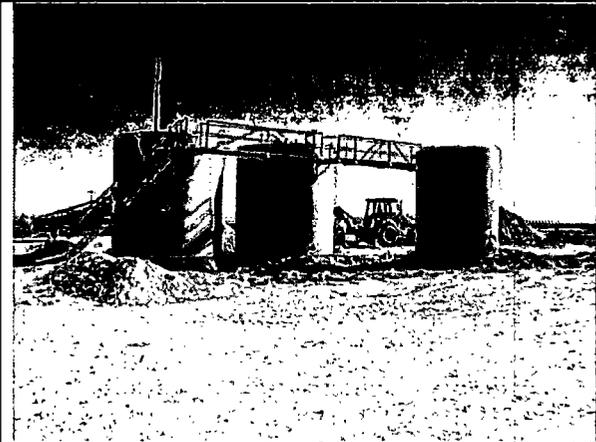
Location: 032° 17.5879' N 104° 03.7893' W

SCB 23-4
Aerial Photograph



Site Location

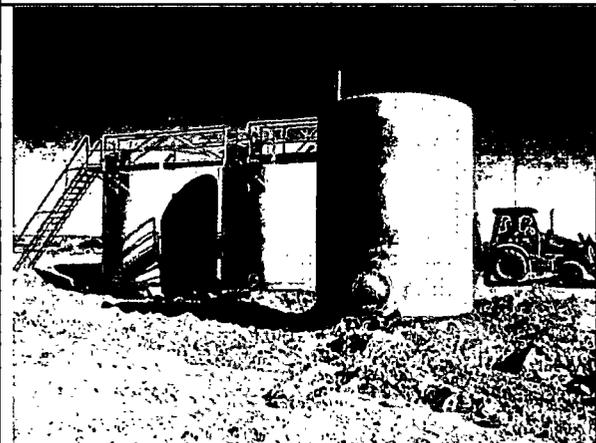
Job Name: Range SCB 23-4 Battery Spill
Location: Loving, Eddy County, New Mexico
Address:
Date: 01/05/06



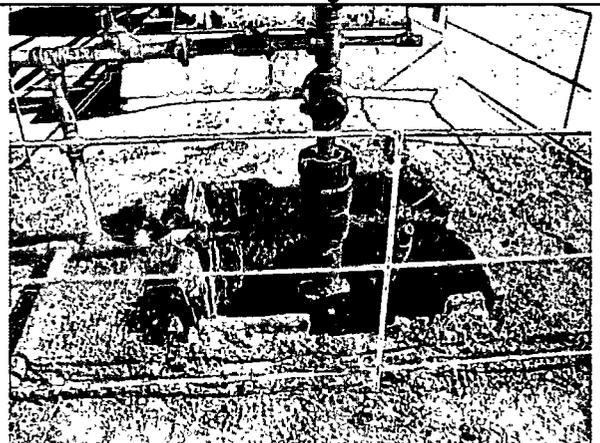
West to East view of location



Excavation along west wall



Excavation along south boundary



SCB 23-4 well head and excavated cellar